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To: Microsoft ATR **Date:** 1/23/02 8:07am

Subject: PFJ

The PFJ Fails to Prohibit Anticompetitive Practices Towards OEMs

The PFJ allows Microsoft to retaliate against any OEM that ships Personal Computers containing a competing Operating System but no Microsoft operating system.

The PFJ allows Microsoft to discriminate against small OEMs -- including regional 'white box' OEMs which are historically the most willing to install competing operating systems -- who ship competing software.

The PFJ allows Microsoft to offer discounts on Windows (MDAs) to OEMs based on criteria like sales of Microsoft Office or Pocket PC systems. This allows Microsoft to leverage its monopoly on Intel-compatible operating systems to increase its market share in other areas.

The PFJ as currently written appears to lack an effective enforcement mechanism.